FBIS DAILY REPORT

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ECONOMY MINISTER INTERVIEWED ON CURRENCY CRISIS

PY182028 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2335 GMT 17 Feb 81

[Excerpts] Buenos Aires, 17 Feb (NA)--Argentine Economy Minister Jose Alfredo Martinez de Hoz today recognized that by deciding to devalue the peso "we (the economic team he leads) probably renounced some of our ideals." He noted however, that "I have never thought of resigning."

He also stated "we subjected the financial system--which was not yet ripe, which was not yet prepared to receive a shock--to a drastic change."

About the continuous criticism of his administration, the economy minister said that "this criticism" shows that the economic plan "has been successful," since "if everyone is criticizing it, it is because everyone has shared in the effort needed to pull through this process."

Martinez de Hoz was interviewed for almost 2 hours by three journalists in a special program broadcast this evening on the local channel 13.

The first question posed to him was "how is February treating you?" He answered: "I would say that we have had a good rainfall, and that since our crops have benefited from it we will have a record harvest." He added: "In view of this, we will have a balanced budget for 1981, that is, we will have an increase in exports and imports--these are still quite high, but the country needs them."

The journalist then explained that they were referring to the devaluation of the peso that was ordered on 2 February and about the rumors that have been circulating in this regard. They said: "Some believe that you (Martinez de Hoz) made this decision, while others believe that you were forced to do it, that you were pressured to do it..." The journalist added: "I would like to know what you can tell us about the secret aspects of this devaluation process and if it is true that you were about to resign?

Martinez de Hoz stated: "I have never thought of resigning." He added that there are no "secret aspects" in this process, and that "there are only rumors."

He said: "I would like to note that because of the collective hysteria people have not given importance to the communique that was issued by the Presidency on 2 February after a luncheon held by Gen Jorge Videla and Gen Roberto Viola." He added: "Since I presumed you were going to ask me 'tricky' questions, I brought the communique with me, since it is the only weapon I can brandish."

The economy minister then read a paragraph of the communique that states: "This decision (the devaluation) was made in common agreement between the present and future national government officials."

Another channel 13 journalist asked the economy minister why the peso was devalued by 10 percent on 2 February if the economic indicators of the last 3 months of 1980 were so good.

Martinez de Hoz answered: "That is where the continuity of the process comes in." He noted that "public opinion in general started to invent many unjustified expectations of what was going to happen in the future." According to the economy minister, because of these "expectations" people did not renew their currency commitments and "exporters did not provide currency to finance the harvest, something which they had to be already doing." He noted: "This means that people did not really believe in the continuity of the process. They believed in dreadful expectations."

A journalist then told the minister that these "expectations were probably not justified from a technical point of view." Martinez de Hoz noted that "they were not justified from the technical or the political point of view," since "the armed forces, which are the basis of the process--we implement it--were supporting this change of authorities."

Talking about the devaluation, he said: "As the men who are responsible for the government until 29 March, we thought we had to do something to erase those dreadful expectations from the people." He added: "After we had contacted the new authorities and explained the issue to them it was commonly agreed that something had to be done to eradicate that uncertainty."

When it was noted that "after the peso was devalued currency started to go faster than before," the minister said: "I believe this is because people have not carefully read the paragraph I have just read which states that this decision was made in common agreement."

Martinez de Hoz noted that to achieve a "smooth transfer" of power in March, "some people may have sacrificed their ideas to achieve this objective". He said: "We probably had to give ground in some aspects, and the new authorities were probably forced to do the same."

At this point, a journalist asked him to what extent the new authorities had made "a formal commitment" that they will respect "this devaluation and the 10-percent rate." Martinez de Hoz said that "although I cannot speak for the next government's authorities--I have been told too many times that I have been trying to impose on them the continuity of the present economic policy--I can interpret an official communique issued by the Presidency (on 2 February) after the luncheon held by Generals Viola and Videla." He reasserted that the official communique states that the decision was made in "common agreement."

But he said later that the peso was devalued because of the rise of the dollar in the international market after the change of administration in the United States. "This devaluation just means that we have reached a point where we told ourselves: Well, since the process of devaluation or parity readjustment of the peso will just go on, we might as well disconnect it from the process of stronger revaluation of the dollar in comparison with our currency."

A journalist asked him: "Everyone is asking you, now that there are only 40 days left before you end your administration, whether the economic program enforced in 1976 has failed or not." Martinez de Hoz said: "Those who are protesting against the program are sufficient evidence that the program has succeeded." He noted that in April 1976 he said that "one of our greatest concerns was the equally distribute the burden," and "if everyone is protesting, this means that everyone has had a share of the burden to rehabilitate this process."

Leadership Reaction

PY182013 Buenos Aires CLARIN in Spanish 15 Feb 81 p 8

[From the "Political Panorama" column]

[Excerpt] Last Wednesday, when the reserves were being drained like water through a sieve, Minister Martinez de Hoz thought that he had to play a strong political card in his game to ensure the continuity of his economic plan. He decided to speak to the country.

That day the reserves fell by $280 million, a record figure for just 1 day's operations, and the tendency was for the fall to continue, which was finally what happened.

It was time, the minister believed, to apply a balm to the fever that had been unleashed in the financial market, thus ensuring that continuity would be the efficient medicine to avoid new and erratic courses.

With this objective in mind, he personally drafted the speech, not heeding some suggestions to the contrary from some of his advisers.

Prior to these events, he had to overcome a crisis within his ministry when Under Secretary Alejandro Estrada submitted his verbal resignation because he disagreed with the 2 February devaluation.

The minister then left the Economy Ministry and arrived at Government House. Some hours previously he had asked the president for an audience.

Nobody really knowns what Videla and Martinez de Hoz talked about in the intimacy of the president's office.

And nobody knowns the reason the minister replaced his programmed speech with a 1 and 1/2 page personal communique in which he repeats the word continuity eight times.

Exchange Markets 'Calm'

PY182334 Buenos Aires HERALD in English 18 Feb 81 p 11

[Text] (NA)--The financial market's desperate policy of enormously jacking up interest rates seemed to have stopped the stampede in the exchange market yesterday, where not only a lower volume of dollar sales was registered, but also a lower price for them.

The exchange market yesterday bought and mostly sold dollars in a remarkably calm atmosphere which was imitated in the transfers market, demonstrating a significant decline under previous levels.

The daily drop in official currency holdings was reduced by half of what it was on Friday and on Monday, as total dollar sales were only a third of those registered on Friday and Monday.

The price of dollars fell yesterday from a Monday high of 2310 buy/2340 sell to rates ranging from 2310/2335, 2302/2330, and 2295/2325.

But financial observers cautioned that the calm and lowered prices may not last long, and characterized the current period as one of expectation, related to the behavior of the financial market and last night's address by Economy Minister Jose Martinez de Hoz.

They also gave some importance to press reports of declarations made by incoming President Roberto Viola's assessment team who reportedly said there will be no new devaluation until August 31.

CGT, JUSTICIALIST PARTY CRITICIZE GOVERNMENT

PY190159 Buenos Aires CLARIN in Spanish 13 Feb 81 p 7

[Text] The General Labor Confederation (CGT) yesterday issued a communique outlining the agreements reached at a meeting between CGT leaders and members of the national board of the Justicialist Party. The document harshly criticizes the economic policy, demands the revival of political parties, demands the establishment of a deadline for the country's institutional normalization and voices support for wage demands.

At a meeting of CGT secretaries general and members of the national board of the Justicialist Party if was agreed to express "total rejection of the economic policy which is contrary to the national sovereignty and economic interests."

Thus the CGT yesterday started the first of a series of meetings with political parties "advocating those principles designed to uphold our national identity."

The CGT decided to hold these contacts on 30 December. Regarding yesterday's meeting, the communique states that "after a long analysis of the political, economic and social situation the country has been experiencing," it was agreed that "deadlines for the country's return to institutional status must be clearly established."

For this purpose, the CGT and the Justicialist leaders deem it essential "to have political parties in full operation performing their irreplaceable role of channeling political participation in a republican system."

In this regard, they demand "the existence of a statute, and that the political parties should in no way be excluded from its drafting."

Rejecting the country's economic policy, the CGT document states that "it has demolished the country's production system, destroyed the national industry, devastated the economies of the various regions, brought famine to the working class, caused the closure of schools, brought about dismissals and suspensions and caused a completely deteriorated real salary."

The communique states that the CGT and the Justicialist Party have agreed that in dealing with the crisis affecting the economy of the various regions "the Justicialist Party will contribute with its ideas to solving these problems through authorized representatives of the national movement at any of the multisectorial meetings called by the CGT regional branches throughout the country."

It adds that "the Justicialist representatives expressed their complete identification with the labor movement represented by the CGT as evidence of their desire to participate in decisions which may affect the national destiny."

Finally, the CGT-Justicialist communique expresses support for demands for wage increases and union freedom, and for the normalization of and end to government intervention in union organizations.

The communique also demands that the national government "immediately release" all those detained for union or political reasons "and thus put an end to the unjustified captivity of the last constitutional president, Mrs Maria Estela Martinez de Peron."

The following attended for the Justicialist Party: Nestor Carrasco, second vice president; Manuel Lazaro Rocca, secretary general; Herminio Iglesia, political secretary; Bernardo Montenegro, press and broadcasting secretary; Rosaura Isla, secretary of the women's branch; Ruben Sarboli, secretary for union affairs. It was stated that Deolindo Bittel, first vice president of the party, did not attend for reasons of illness.

FEDERAL JUDGE ORDERS ARREST OF MORE CHILEANS

PY181515 Paris AFP in Spanish 0355 GMT 18 Feb 81

[Text] Rio Gallegos, Argentina, 17 Feb (AFP)--Federico Pinto Kramer, the federal judge in this city, today decreed the preventive arrest of a Chilean citizen who has been detained since 1978 for presumed spying activities, and ordered the capture of eight other persons of the same nationality involved in the same activity, according to judicial sources.

The detainee is Ramon Oyarzo Diaz, accused of being a member of the group of Chileans who are engaged in spying activities, with branches in Rio Gallegos and Comodoro Rivadavia, cities located 2,800 and 1,800 km south of Buenos Aires respectively.

The judicial sources recalled that in 1978, approximately 20 persons were detained in relation to this case, but then the court ordered the release of the affected persons, except for Oyarzo Diaz.

The sources did not give details on the reasons which had led Pinto Kramer to warrant the arrest of the other Chileans.

The persons allegedly involved are Ramon Luis Bahamonde, Francisco Tellez Gallardo, Manuel Norberto Vidal Navarro, Ana Celia Atafrazada, Jose Luis Miranda, Mario Igor, Alfonso Borria Diaz and Cleve Villarreal.

The sources added that three of them--Tellez Gallardo, Atafrazada and Miranda--were declared in rebellion for not presenting themselves before the court.

Local judicial sources feel that many of them must have already left Argentina.

Authorized Denial

PY181752 Buenos Aires TELAM in Spanish 1620 GMT 18 Feb 81

[Text] Rio Gallegos, 18 Feb (TELAM)--Regarding reports published by a Buenos Aires morning newspaper, authorized sources denied reports on the existence of an investigation and gave assurances that there are no arrests and that no exceptional investigation whatsoever is being carried out. The 1978 case has not been reconsidered.

ARMY COMMANDER COMMENTS ON INCIDENTS WITH CHILE

PY180059 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2030 GMT 13 Feb 81

[Excerpt] Buenos Aires, 13 Feb (NA)--Lt Gen Leopoldo Galtieri, commander in chief of the army, today stated that the recent incidents caused by the presence of Chilean ships in Argentine waters and by the arrest of Argentine citizens in Punta Arenas "do not contribute to" the negotiations conducted by the Vatican on the border dispute over the Beagle Channel. He said these incidents "have blurred the sunlight" and said that "Chile should know how far the rope can be stretched."

Speaking to newsmen in the Libertador building at noon today, he said: "It is not known whether there will be an escalation or repetition of those incidents. I hope not but I want to give assurances that the Argentine Army, which the country entrusts with the mission of safeguarding its sovereignty, will be able to comply with its task and its mission if those incidents are repeated."

Galtieri's talk with the press was centered on the incidents that took place at the border with Chile. He admitted, however, the existence of an economic crisis, which he minimized by noting that "not even one line of it will go down in history."

He stated that those border incidents "neither contribute to nor benefit the treatment of basic problems such as the border dispute in the southern region because they blur the sunlight, and this is not good for the papal mediation in this conflict."

He added: "I trust, however, that both parties will show prudence and calm to avoid incidents which may affect relations between the two countries--which are cordial but which could affect the treatment of those basic issues. Thus, we should not let the trees prevent us from seeing the forest."

He expressed his confidence that the border issue with Chile will be solved through dialogue. He said: "As long as there is the possibility of holding dialogue, of talking, of arguing, there is no reason to worry. The serious thing would be if the dialogue was interrupted, disrupted or jeopardized by actions, and this would be when one should start worrying."

He added: "No one wants war, but the army and the country will be able to adopt the appropriate attitude in the face of an armed conflict, which--we repeat--we do not want." He made it clear, however, that "Chile should know how far the rope can be stretched."

Asked about the Vatican mediation in the Beagle Channel conflict, he expressed his optimism and said that "there will be a solution." He noted that the Argentine Government "is analyzing and developing its own ideas about the proposal made by Pope John Paul II."

He added: "But no one can expect such a significant dispute, which is more than 100 years old, to be solved from one year to another: It is not reasonable to believe this could happen." He pointed out that the Vatican mediation in the demarcation of the Caroline Islands, which were disputed by Spain and Germany, lasted 76 years.

He stated that "one must take into account that we are seeking a solution which would last 2,000 or 3,000 years, and that the century to come will pass judgment on us based on the solution we reach, just as it will pass judgment on us for the struggle we waged against subversion."

VENEZUELAN MINISTER ARRIVES FOR OFFICIAL VISIT

PY181128 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1055 GMT 18 Feb 81

[Text] Buenos Aires, 18 Feb (NA)--Venezuelan Foreign Minister Jose Alberto Zambrano arrived here today for an official visit during which he will meet with President Jorge Rafael Videla.

Zambrano arrived at Ezeiza Airport at 0750 and was welcomed by Venezuelan Ambassador to Argentina Jorge Dager, Argentine Foreign Ministry Protocol Chief Juan Carlos Kasenstein and the airport chief, Col Salvador Alaimo.

Zambrano Explains Visit

PY191116 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1325 GMT 18 Feb 81

[Excerpt] Buenos Aires, 28 Feb (NA)--Venezuelan Foreign Minister Alberto Zambrano Velasco today arrived in the country "to hold a political dialogue" with the leading Argentine officials with the "fundamental purpose of furthering agreements and viewpoints for the formulation of a Latin American policial strategy."

The objective is, Zambrano said, "to promote the formation of a strong Latin American policy which would then be extended to all of the countries of our continent."

Zambrano made these remarks to newsmen at Ezeiza and at the metropolitan airport on arriving in our country on an official mission. Following an "open agenda," he will meet with President Jorge Videla, President-designate Roberto Viola and Foreign Minister Carlos Pastor, who welcomed him at the metropolitan airport.

The Venezuelan foreign minister said that he is making this visit to convey "the special convergence with this great country, Argentina, sought by President (Luis) Herrera Campins."

Zambrano denied that his country seeks to form "an axis" with Argentina, an expression which he regarded as "inadequate," and "belonging to other times." He made it clear, however, that what he seeks is to promote "a political dialogue aimed at reconciling viewpoints on issues of general interest for Latin America, observing due respect for pluralism and for each country's typical and specific characteristics."

He also dismissed the possibility that his country may devise a common strategy to initiate "a policy of diplomatic aggressiveness" within the southern hemisphere." He said: "Rather, we want a policy which would allow us to project ourselves and which would be open to all other countries of our continent," in keeping with the profound "Americanist beliefs" shared by the Latin American nations.

He emphasized the need to achieve "a convergence which would be instrumental in devising an adequate strategy for Latin America" at a time in which a "very special" international situation demands "special efforts from our countries to further their agreements, to seek common viewpoints, transcending their own specific characteristics."

FORMER PERONIST GOVERNOR CARLOS MENEM RELEASED

PY182327 Buenos Aires HERALD in English 18 Feb 81 p 11

[Text] (NA)--Former governor of La Rioja, Carlos Menem, was released yesterday, Government House reported.

President Jorge Videla signed the decree freeing Menem, who was governor between 1973-76 during the Peronist regime. He had been held for 4 years under executive power, released in January, 1980 but was arrested again last September after making statements which the government considered to be a violation of laws prohibiting political activities.

The order by which Menem was stripped of his political and union rights in 1976 and banned from exercising public or honorary posts still stands.

SECURITY FORCES ARREST FIVE EXTREMISTS FOR MURDER

PY190104 Santiago Chile Domestic Service in Spanish 2300 GMT 18 Feb 81

[Excerpt] Members of an extremist cell who murdered the director of the army intelligence school, Col Roger Vergara, have been captured. The extremists are also responsible for another six murders during attacks and bank holdups in this capital.

The capture of these five terrorists is part of the most important investigation carried out by the security services in the last few months. The head of this terrorist command has been identified by the National Information Center, CNI, as (Carlos Arturo Garcia Herrerra), 27 years of age, single, electronic television technician. This terrorist, after carrying out terrorist activities, left the country in 1978 for Cuba, where he was trained in urban guerrilla activities for 6 months, after which he returned to Chile.

The other four members of the cell are (Rodolfo Ismael Rodriguez Moraga), 51 years of age, married, without a profession; (Mirian Anelida de Lourdes Ortiz da Silva), Chilean, 31 years of age, single, without a profession; (Victor Eduardo Ortega Araya), 22 years of age, Chilean, single, lathe operator; and (Carmen Gloria Escobar Gonzalez), Chilean, 22 years of age, single, copper handicrafts worker.

According to the official information released by the CNI, the terrorists have been remanded to the custody of the First Military Court in Santiago. The five terrorists are members of the military apparatus of the proscribed Movement of the Revolutionary Left, MIR, and participated in the majority of the violent actions of the last few months. Their actions include the murder of Col Roger Vergara, director of the army intelligence school; the murder of policeman (Heriberto Novoa Escobar) near the Libertad monument; the triple bank holdup on (Jose Pedro Alesandri) Street, formerly (Macul) Street, where two policemen and a bank guard were murdered; the sabotage of the high tension electrical tower in the (Calera de Tango) sector; the first and second holdups of the three bank branches on (Santa Elena) Street [as heard]; the holdup of the Bank of Chile in Cerrillos, where a car attendant was murdered; and last, the holdup of a pickup in Concepcion in front of the (Hagas) supermarket, where policeman (Bruno Burniles) was murdered.

OCCUPATION OF AUSTRIAN EMBASSY CONTINUES

PY190005 Buenos Aires LATIN in Spanish 2000 GMT 18 Feb 81

[Excerpt] Santiago, Chile, 18 Feb (LATIN)--The 9 persons who are occupying the Austrian Embassy in this capital today threatened to remain there indefinitely if the military government keeps the 55 extremists--whom the occupiers labeled political prisoners--split up among several jails.

Penitentiary sources today confirmed that the 52 [numbers as received] prisoners processed for subversive acts, attacks, assaults and murder began an indefinite hunger strike last Monday. The hunger strike is in support of the demands of the people in the embassy, six women and three men, asking the government to return the prisoners to the Santiago jail.

The government reiterated that it will not negotiate with the occupants of the embassy, who entered that diplomatic building peacefully 9 days ago.

GOVERNMENT ADMITS HELPLESSNESS IN BITTERMAN CASE

PA181959 Paris AFP in Spanish 1928 GMT 18 Feb 81

[Text] Bogota, 18 Feb (AFP)--The Colombian Government today declared itself helpless to prevent the possible killing of U.S. linguist Chester Allen Bitterman, who was kidnapped here by group alleged to be part of the 19 April Movement (M-19) guerrilla organization. Defense Minister (War) Gen Luis Carlos Camacho Leyva told AFP today that various clues which authorities had in their search for Bitterman have been unsuccessful.

According to the terrorist group, Bitterman, kidnapped here on 19 January, could only be spared if the Summer Institute of Linguistics (ILV), a U.S. organization which employed Bitterman, leaves the country before 2300 GMT tomorrow.

The Colombian minister stated today that the authorities can do nothing to prevent the killing of Bitterman and demanded that all good Colombians judge "the stain which this subversive movement is casting on the country." However, General Camacho Leyva noted that pending the expiration of the deadline set for tomorrow, Thursday, "we will to everything possible to find out where they are holding him." Camacho Leyva, meanwhile, claimed to have no knowledge of a possible postponement of the "execution" of Bitterman, apparently announced by the M-19.

LINGUISTICS INSTITUTE REJECTS M-19 DEMAND

PA190311 Madrid EFE in Spanish 0214 GMT 19 Feb 81

[Text] Bogota, 18 Feb (EFE)--The Summer Institute of Linguistics [ILV] announced tonight that it rejects the 19 April Movement [M-19] demand that it leave the country in exchange for the release of U.S. citizen Chester Allen Bitterman alive. In an official communique released to the international press in Bogota, the ILV said it will leave the country only after 15 years, when its mission is completed.

The M-19 guerrillas said that if the ILV does not leave the country by tomorrow at 2000 GMT, [as received] it will "execute" Bitterman, who was kidnapped in January in Bogota. The M-19, one of the most active guerrilla movements in the country, granted a postponement Tuesday of Bitterman's execution in exchange for publication of a political, economic and social analysis by the main newspapers in Colombia.

In order to pressure the ILV into leaving Colombia, the M-19 sent Bitterman's wife personal documents and garments as well as photographs of Bitterman in a "people's prison."

Meanwhile, on Wednesday night Bogota police intensifed their search of vehicles. Tomorrow, the day the M-19 announced it will execute Bitterman, will begin the verbal court martial of over 100 guerrillas of this subversive movement.

DEFENSE MINISTRY DISCLOSES NEW M-19 STRATEGY

PA181338 Bogota Radio Sutatenza Network in Spanish 1200 GMT 18 Feb 81

[Text] Bogota--The national Defense Ministry today disclosed that it has discovered a new strategy being used by the self-styled 19 April Movement [M-19] for its subversive actions. A military spokesman said that this strategy involves the creation of an armed branch within the organization while another cell will be in charge of the political programs. He added that the armed branch in question, similar to that of the Communist Party, is holding Chester Allen Bitterman, a U.S. citizen, captive while the other section is in charge of political efforts in the search for power. He noted that it is not a division but an internal group within the subversive movement.

GOVERNMENT ANNOUNCES NEW ECONOMIC MEASURES

PA181605 Madrid EFE in Spanish 0349 GMT 18 Feb 81

[Text] Quito, 17 Feb (EFE)--A year and a half after taking office with the greatest number of votes in Ecuador's history, President Jaime Roldos issued a number of drastic measures today aimed at creating a realistic economy and at channeling resources toward national defense and development programs.

The government measures are: a reduction of the fuel subsidies, a price freeze on staple products and improvements in their marketing, an increase in transportation fares and freight charges and an increase in the import taxes for vehicles. The general package of 20 measures also includes social type actions in order to halt the inflation which could lead to increases, new taxes, a single work shift for public administration, obligatory military service for men and women, incentives for exports and food and transportation subsidies.

Finance Minister Rodrigo Paz, Natural Resources Minister Cesar Robalino and Government Minister Carlos Feraud announced these measures last night over radio and television.

In justifying the measures, Feraud said that the government assumes "full responsibility for these measures, which should have been adopted a long time ago." He added: "We know the political cost but we have the solidarity and understanding of all Ecuadoreans to move this country forward." He stressed that the program has been adopted under normal circumstances, since the state of emergency declared on 28 January as a result of the armed conflict with Peru was lifted on Friday. Nevertheless, Feraud emphasized that currently the country's main objective is national defense "but without becoming involved in an arms race."

"National defense will be possible to the extent that our country lives in a democracy, that we promote national development and that our people believe that their government leaders are working for social justice," he stressed. This new objective demands new resources and the main measure is the reduction of the high state subsidy for fuels which, according to the natural resources minister, amounted to about $200 million in 1980.

Robalino explained that those subsidies have to be reduced in view of the considerable decrease in the petroleum reserves since 1972, when the exploitation of the deposits in Ecuador's eastern region began, and the tremendous growth of domestic consumption.

Finance Minister Rodrigo Paz noted that the government had warned that 1981 would be a difficult year in view of the deterioration of the economy during 1980. The minister said that the general condition of the Ecuadorean economy is relatively better than that of other neighboring countries "such as Peru," whose economic situation Paz attributes to "the Peruvian aggression" against Ecuador.

He also announced that two bills will be sent to the legislature to implement taxes on cigarettes and vehicle registration. He stressed that the funds obtained from the reduction of subsidies and the new taxes will be used mainly for national defense and programs for petroleum exploration and exploitation, agricultural production, marketing of food and the development of the border provinces to the east and south.

He also announced other tax and monetary measures to promote exports. In addition he denied that the government has taken advantage of the international situation to adopt this economic program.

Ministers Give Further Details

PA181628 Quito Voz de Los Andes in Spanish 1230 GMT 18 Feb 81

[Recorded passages enclosed in quotation marks]

[Excerpt] Here is a brief summary of the new economic measures that the Ecuadorean Government has issued. Speaking first is Natural Resources Minister Cesar Robalino Gonzaga, who announced the new prices for petroleum products:

"The government has to stop the impoverishment of Ecuadorean society and for this reason we have decided to increase fuel prices. The new prices which go into effect tomorrow throughout the national territory are the following: 92 octane gasoline, 20 sucres a gallon; 80 or 84 octane gasoline, 15 sucres a gallon; 63 octane, 10 sucres a gallon; diesel, 11 sucres; kerosene, 6 sucres. Let me make a small aside. The statistics analyzed by the national government demonstrate that part of the demand for fuel is for home consumption. The Ecuadorean Government knows that a large part of this demand comes from the lower income groups. Because of this, the government has decided that there should be less of an increase in the price of kerosene. That is why the new kerosene price is 6 sucres. The government is greatly concerned about the situation of the poor people and that is why the price of this fuel has not been increased in proportion to that of the other fuels.

"The new price for jet fuel will be 22 sucres a gallon for domestic consumption; the new price for bunker or residual fuel will be 7 sucres. Regarding gas, the government has decided that the new price will be 10 sucres; that the new prices do not eliminate subsidies. The new price for gasoline represents only 50 percent of the international price of that fuel."

You will now hear Finance and Public Credit Minister Rodrigo Paz Delgado: "Two taxes have been submitted for the president's consideration. The first is on the registration of all types of vehicles based on the number of cylinders and the factory price. A new Mercedes Benz which would cost the public 1.5 million sucres will pay about 50,000 sucres in taxes a year; modest vehicles for the middle class will pay about 1,000 sucres in taxes. The tax will be reduced each year. The funds from these taxes will be used for the [word indistinct] project of Quito and to finance the drinking water system for the province of Manabi, which needs it badly.

"A bill asking for the honorable Chamber of Representatives' authorization for an increase in the price of cigarettes has also been submitted to the president. This would yield a revenue of about 500 million sucres which would be used to capitalize the national DEC [expansion unknown] banks.

"If we want to maintain this paradise, which is a real paradise particularly for those arriving from abroad, we have to make sacrifices. We know that what the government has proposed requires a sacrifice but we have to do it. There are a few groups that only see their own private or political interests. They will always be opposed to any measure. But these measures are necessary to correct our economy and to be able to guarantee that the Ecuadorean people will continue to live in this wonderful Ecuador."

Here is Government Minister Carlos Feraud Blum: "First of all, the government has decided to establish a general fare of 2 sucres per person for the urban bus service. This fare will be applicable throughout the country. I want to stress that 50 percent of this 2-sucres fare will be assumed by the national government for the transportation of students.

"A special service for urban passenger transportation in Quito and Guayaquil will be established. This new service will operate on the basis of regulations drawn up by the National Superior Council of Transportation, which will regulate the organization, the granting of operation permits and the technical requirements for the vehicles."

BLACK HAWK DEFENSE EXERCISE CONTROVERY CONTINUES

PRD Declaration

PA181822 Panama City CRITICA in Spanish 18 Feb 81 p 11

[Text] The defense exercise called Black Hawk IV is nothing more than a typical operation of the "Big Stick" period that seeks to intimidate Panamanians by demonstrating that the repressive forces of the Pentagon are prepared for a military intervention in any Latin American country. This was stated by the Democratic Revolutionary Party (PRD), which maintains that this is one more violation of the Torrijos-Carter treaties, because no Panamanian has consented to it.

Ricardo Aguilar Jaen, PRD international affairs secretary, in the name of the most powerful party of our country calls on Panamanian popular organizations, as well as the people in general, to join in actions to repudiate and denounce the Black Hawk IV exercises, which are only provocations to humiliate our people.

Consent for the U.S. military exercise has been given by neither the Panamanian Government, the National Guard nor the Panamanian people. This is nothing more than a clear violation of the spirit of the Torrijos-Carter treaty and a flagrant violation of the canal neutrality treaty.

The PRD declaration also notes that the foregoing is no different than the arrogant statements made by Secretary of State Haig with regard to our relations with friendly countries: "Mr Haig has forgotten that Panama is free and sovereign and that decisions regarding our foreign policy have for some time been made on our isthmus and not in the White House. The ignominious fence erected alongside the highway to Arraijan does not intimidate us. On the contrary, it calls on us to struggle, to be prepared and ready to fight, aware that the perfect compliance with the canal treaties will depend on our demands and not on the good will of the U.S. Government," the PRD declaration states in closing.

PDC Criticisms

PA190314 Panama City Televisora Nacional in Spanish 2315 GMT 18 Feb 81

[Text] In a document published today, the Christian Democratic Party [PDC] demanded the implementing of international responsibilities with a sense of sovereignty and solidarity, denouncing and criticizing what it described as irresponsibility with which the government continues to handle foreign relations.

The document, signed by PDC President Guillermo Cochez, Jr, gives as an example for its assertions President Aristides Royo's cancellation of a trip to five nations and to the United Nations without giving any sort of explanation to the public and to the detriment of our relations with several traditionally friendly countries.

The PDC also criticizes and denounces the nonparticipation of the National Guard in exercises that should have taken place under the sponsorship of the combined staff of the Armed Forces of Panama and the United States for the defense of the canal, also without a reasonable explanation and to the detriment of our sovereignty and security.

The document harshly criticizes the fact that it was through foreign writers that Panama learned about important aspects of our foreign relations.

In the opinion of Christian Democratic leaders of Panama, these three issues represent a policy whose goal is not to promote and defend responsibly the interests of the nation in solidarity with the democratic forces of Latin America, but the fostering of a supposed return of General Torrijos to national politics.

Protest Demonstrations

PA190243 Panama City Televisora Nacional in Spanish 2315 GMT 18 Feb 81

[Text] The U.S. Embassy was the target at noon today of cans of red paint in protest over exercise Black Hawk IV being held by American forces in the canal area. Young people of the University Anti-Imperialist Front and the National Committee for the Defense of Sovereignty and Peace [CONADESOPAZ], the Workers Socialist Party and the People's Party today also went to the entrance of the U.S. Southern Command headquarters on Ancon Hill to protest the exercise.

The new training exercise by the American armed forces in the canal area was described as another imperialist aggression against our people.

During the rally outside the entrance to Southern Command headquarters, there were demands for the immediate suspension of the training exercise begun today on the banks of the canal by 5,000 personnel of the navy, air force and infantry in violation of the Torrijos-Carter treaty. These maneuvers have been criticized publicly by the Democratic Revolutionary Party, the CONADESOPAZ and student groups.

A few hours before the demonstrators arrived at Ancon Hill, U.S. soldiers closed the gate at the entrance to the Southern Command headquarters where the protest was to be held. When the picketing ended, the demonstrators went to the U.S. Embassy on Balboa Avenue to reiterate their repudiation of the maneuvers known as Black Hawk IV. Following a lightning rally, the students hurled cans of red paint at the U.S. Embassy's white building to demonstrate publicly the nation's condemnation of the United States' intimidating and interventionist maneuver.

PRESIDENT DISCUSSES OIL PIPELINE, SEA-LEVEL CANAL

PA150448 Panama City Televisora Nacional in Spanish 2315 GMT 14 Feb 81

[Interview with Panamanian President Aristides Royo by Mari Carmen Sarsanedas in Volcan, Chiriqui Province, on 14 February--recorded]

[Excerpts] [Question] Sir, could you assess the tour of Chiriqui Province that you took in the last 3 days?

[Answer] Yes, gladly. I think it has been an interesting tour. We toured practically the entire province--the eastern part, Remedios, San Felix; the Punta Burica area and Puerto Armuelles; the highlands, Dolega, Dos Rios, Volcan. This has been a very complete tour. All the more so, I would say, because it was not just the president who attended the many meetings held but the ministers and agency heads also attended various meetings. In other words, several meetings were chaired by ministers and autonomous agency directors in almost all parts of the province.

[Question] Concerning the oil pipeline from Chiriqui to Bocas del Toro which you announced during the cabinet meeting, could you tell us if it will in anyway affect or change the plans for the building of a new canal in Panama? Will any action be taken so this new project does not result in intervention by another nation in Panama?

[Answer] No, we think the sea-level canal has its raison d'etre: for big ships which are not just oil tankers but for big freighters too. The trend is to build big ships because just one 300,000-ton ship can carry five times what a 60,000-ton ship can carry. That, and the idea of a straight-through transit are the reasons. The average duration of a ship's transit through the Panama Canal is not just 8 hours. The transit can take 8 hours but in fact it takes an average of 4.1 days. A straight-through transit through the canal with a large volume of freight will be necessary regardless of whether 325,000 or 500,000 barrels of oil cross from Punta Burica to Chiriqui Grande.

CENTRAL AMERICAN ECONOMY MINISTERS TO MEET

PA171803 Panama City ACAN in Spanish 2149 GMT 16 Feb 81

[Text] Guatemala City, 16 Feb (ACAN-EFE)--The five economy ministers of Central America will meet in San Jose, Costa Rica on 27 and 28 February.

This was reported today by the Guatemalan economy minister, Valentin Solorzano, who said that the ministers will meet in their role as governors of the Central American Bank of Economic Integration.

Solorzano added that during the meeting they will discuss the deficit which Costa Rica and El Salvador face in their trade exchange within the Central American Common Market.

EL SALVADOR

U.S. DIPLOMATIC EFFORT IN EUROPE CRITICIZED

PA181920 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 18 Feb 81

[Station commentary]

[Text] (?Lawrence Eagleburger), special U.S. Government envoy, has arrived in Bonn, capital of the FRG, in a bid to obtain support from the West German authorities for the U.S. policy of intervention in El Salvador and Nicaragua. The Yankee delegation will travel to France, Belgium, Great Britain and the Netherlands for the same purpose.

International observers recall in this regard that several European capitalist countries, some of which follow a social democratic tendency, have expressed sympathy for the just struggle of the Salvadoran people.

This desperate imperialist effort of sending a special envoy there to convince Europeans of the legitimacy of its meddling in our internal affairs shows the world the weakness of the U.S. intervention policy and the desperation of the U.S. Government to save the tottering dictatorship.

ELECTIONS WITHOUT CONSTITUTIONAL ORDER OPPOSED

PA172255 San Salvador DIARIO DE HOY in Spanish 16 Feb 81 p 13

[Editorial: "Legitimizing Power by the Bible and the Law"]

[Text] The chaos created by White and his experts, among them a fellow named Prosterman, who played an important role in the fall of Vietnam to the Vietcong, was no surprise. The lesson for Central Americans is that more thought should be given to how we reorganize our countries.

Some think that the best way is to hold elections, disregarding the fact that constitutionally the Central American countries still are not well organized. However, this would be like making a blind date, because it could only serve to perpetuate conditions which exist in Central America such as those the Carter administration promoted, and the USSR Politburo's vandalism. What is surprising about all this is that many of those asking for immediate elections would not mind going to the polls with those who have caused so much bloodshed in the country.

The fact is that no country can undertake any serious plan if spiritually, morally, legally and institutionally it is not functioning properly. El Salvador, like Nicaragua and the other Central American countries, are part of the Western hemisphere, of its culture and institutions established over the centuries according to principles and actions promoted by sages, heroes, statesmen and saints.

Therefore, the most urgent task at this moment is to restore the constitutional system and try to conciliate the past and the present in a lawful manner to prevent the destruction of the republic.

ARMY CHIEF SAYS 'MORE AGGRESSIVE' ACTION TO BEGIN

PA181240 San Salvador THE NEWS GAZETTE in English 15-21 Feb 81 p 1

[Excerpt] While there are two pockets of fierce resistance on the northern and western frontiers, following last month's "final offensive" the army has secured the towns that suffered heavy attacks and will now seek to pursue a more aggressive search and destroy type of war against the battered guerrilla armies, Col Jaime Abdul Gutierrez said in a recent interview.

He also said the army of El Salvador will need more surveillance and detection equipment, such as sophisticated infra-red scanning devices and more helicopters to use for transport and firepower, and that these requests have been, and will be made, to the United States and other countries "willing to give us aid to contain the aggression to which we have been subjected."

REPORTAGE ON GOVERNMENT, GUERRILLA COMBAT ACTIONS

Deaths, Clashes, Explosions

PA181250 Panama City ACAN in Spanish 1828 GMT 17 Feb 81

[Text] San Salvador, 17 Feb (ACAN-EFE)--The most obvious acts of violence in El Salvador this morning are 25 deaths, 3 buses set on fire, several armed confrontations and 2 explosions.

Official reports say that at least 25 bodies have been examined by the authorities as a result of violent incidents involving leftist groups and security agents in various parts of the country.

In San Lorenzo, 59 km east of here, a group of over 20 armed youths set fire to three interdepartmental transportation buses of the Santo Domingo line.

Military authorities reported that the army arrived while the guerrillas were still on the scene and a skirmish broke out which left 10 civilians dead. Three Fal rifles, two M-1 carbines and other short-range weapons were seized from the leftists during the skirmish.

Heavy shooting occurred in Mejicanos, Cuscatancingo, Soyapango, Ciudad Delgado, Apopa and other areas along the northeastern end of the capital as leftists attacked patrol groups there. The number of victims has not been given.

In Soyapango, 6 km east of San Salvador, two explosive devices partially destroyed an electrical tower of the Lempa River Hydroelectric Executive Commission and a shoe factory in a populous neighborhood. No casualties were reported in the dynamite attacks.

Military Spokesman's Report

PA181444 Buenos Aires LATIN in Spanish 1859 GMT 17 Feb 81

[Text] San Salvador, 17 Feb (LATIN)--The sporadic clashes between leftist guerrillas and security forces last night and today on the outskirts of San Salvador left 15 extremists dead, a military spokesman has reported.

The same source said that security forces and some 50 heavily armed youth clashed in San Vicente, some 60 km east of San Salvador and a total of 12 extremists were killed in these clashes, the most important since the collapse of the so-called final offensive launched by the extremists last month. According to the military source, the security forces did not suffer any casualties.

The spokesman said that the guerrillas burned three buses in their retreat.

In another incident in San Martin, near San Salvador, three guerrillas were killed during an attack on a military post.

According to the military spokesman, most of these clashes occurred from 2100 to 0500 during the curfew hours.

In Santa Ana, the second most important city in the country, two Green Cross volunteers were killed while shopping. It has not yet been established which faction, the leftist or the rightist, is responsible.

Meanwhile, the police reported that at least 1,500 persons have perished this year as result of the political violence in El Salvador.

Arms Seizure, Explosions

PA182000 [Editorial Report] San Salvador LA PRENSA GRAFICA in Spanish on 17 February 1981 reports on page 2 that a large cache of weapons was seized by the army in Mejicanos, at the Domis Mariae House. The arsenal consisted of rifles, pistols and contact bombs. Other searches in various parts of the city turned up weapons of various calibers held illegally by citizens.

This same newspaper reports on pages 3 and 14 that intensive gunfire and explosions of bombs of various sizes were reported the night of 15 February. Local officials have not revealed whether there were any casualties.

Radio Venceremos Report

PA181904 (Clandestine) Radio Venceremos in Spanish to El Salvador 1200 GMT 18 Feb 81

[Text] The southeastern area of Chalatenango Department, 69 km from San Salvador, has remained paralyzed as a result of the (?activities) of the forces of our Farabundo Marti National Liberation Front [FMLN], which have stepped up military action in the region during the last 2 weeks, setting up barricades, digging ditches and blowing up bridges to block access to the region by the dictatorship's military forces.

Our forces engaged in a battle yesterday at San Martin, 28 km south of San Salvador. They attacked the military garrison housed in the mayor's office of that town. The clash, which lasted over 2 hours, began when our forces set off a powerful explosive device that destroyed the Colmena, (Chins) and Phillips stores, which were seriously damaged. [as heard]

Heavily armed paramilitary forces of the dictatorship yesterday searched the [words indistinct] refugee centers in Mejicanos and arrested 4 people there.

Our forces inflicted over 70 casualties on troops of the dictatorship during battles in Tacachico, Guazapa, Cabanas and other localities in Chalatenango and Cuscatlan Departments, our forces made Salvadoran Army troops flee into Honduran territory.

We also have evidence that hundreds of U.S. military advisers are active within the dictatorship's armed forces in these departments and other places in El Salvador. The involvement of U.S. advisers in army operations in La Union Department has also been proved.

Several newspapers and stations on the continent report today that land communications between Salvadoran Army troops and the capital have been cut in the area of our Francisco Sanchez eastern front. They add that telegraph and telephone services are almost completely cut off and industrial activity is down by 40 percent in the country's central region. An increase in the number of towns seized and the enrollment of new fighters in the people's army are reported in the western front.

SALVADORAN TROOPS SEARCH EDUCATION MINISTRY

PA190236 Panama City ACAN in Spanish 2252 GMT 18 Feb 81

[Text] San Salvador, 18 Feb (ACAN-EFE)--The offices of the Education Ministry were searched this afternoon by the Salvadoran Army, but neither arms nor "subversive" propaganda was found, a military officer has reported.

The spokesman said the search was "a routine operation," employees of the ministry were searched carefully. A few weeks ago the armed forces searched an Education Ministry office and found leftist propaganda.

FMLN STATION CALLS FOR STEPPED-UP STRUGGLE

PA150407 (Clandestine) Radio Venceremos in Spanish to El Salvador 2300 GMT 14 Feb 81

[Text] The enemy wants to keep a victorious image of its armed forces by spreading false propaganda saying that it is in control in the country. The average person can ask himself: If the governing junta has everything under control, why the national radio network? Why the indefinite use of martial law? Why repeated confrontations? Why so many explanations on television? Why are the junta's diplomatic and consular representatives resigning? Why is the U.S. Government sending more destructive weapons to the junta?

The immediate answer would be: The general offensive undertaken by the Farabundo Marti National Liberation Front is now irreversible and every effort by the military-Christian Democratic junta to avoid its total defeat is in vain because nationally it lacks popular support and internationally it has been isolated. Only Yankee imperialism, the hemispheric military dictatorships and the reactionary Luis Herrera Campins administraion have defended it.

The Salvadoran people--workers, businessmen, professionals, technicians, students, teachers and homemakers--must be ready to contribute to final victory by participating in the decisive battles. Each of us must become another soldier of the revolution at our jobs. In the factory, in the workshop, in the office, on the streets, in our homes, we must be combatants ready to defeat the dictatorship once and for all.

Let us promote actions which will strengthen the people's struggle and will defeat the enemy by slowing down production; stopping production; stopping transportation; stopping services; sabotaging power at the factory or firm; erecting barricades in all the cities, neighborhoods and residential areas; making home-made weapons such as molotov cocktails; placing under daily scrutiny the security corps members, corrupt and criminal officers, informers, members of the Nationalist Democratic Organization, patrolmen and all counter-revolutionaries who work or live near us.

The enemy is about to fall. Let us destroy its political and military power. Every shot fired means one less enemy and one more rifle.

CATHOLIC CHURCH ACCUSED OF 'HATRED' FOR MILITARY

PA181945 San Salvador EL MUNDO in Spanish 16 Feb 81 p 6

[Commentary by Reverend Ricardo Fuentes Castellano: "Security and National Defense"]

[Excerpts] Just as occurred during the Vietnam war, when the 5th column in the United States weakened and sabotaged the military effort by means of a defeatist campaign by all leftist groups, including the "progressives" of the Protestant and Catholic churches, the same is happening here.

The "progressive" sectors of the Catholic Church, led by apostolic administrator Monsignor Arturo Rivera y Damas, have been repeating the mistaken and malicious slogan that there should not be a "military but a political solution" to the present crisis. With this they are insinuating that the field should be left open for the leftist civilians and at the same time they are underestimating the intervention by communist countries.

Contrary to the "liberal" opinion promoted by Yankee leftists who have infiltrated the Democratic Party, I believe that the solution should be a military one.

In El Salvador we are in a situation similar to Vietnam. This is why the communists and their traveling companions are directly responsible for the Salvadoran disaster.

As in Vietnam, within the communist "5th column" the bonzos acted because President Diem, supported first by Eisenhower and later betrayed by Kennedy, was a Catholic and his brother was the archbishop of Saigon. In El Salvador the hatred of the "progressive" clergy, headed by Monsignor Rivera, is directed against the army because it has taken a clear anticommunist stand which goes against the [words indistince] inclination of Monsignor Rivera, as was the case with deceased Monsignor Romero.

Under the circumstances existing in the country, what we need is a Pinochet and not a Frei or an Allende!

HONDURAS

U.S. AID STATEMENTS ON CENTRAL AMERICA CITED

PA181443 Tegucigalpa Voz de Honduras in Spanish 1145 GMT 16 Feb 81

[Moises de Jesus Ulloa Duarte commentary]

[Excerpts] Good morning, listeners. The U.S. Government under Ronald Reagan is ready to prove to the world that the Soviet Union is directly interfering in El Salvador to foment civil war. Preliminary measures are being taken, including the sending of two high-level delegations to Europe, to present the evidence obtained by the intelligence services.

The Reagan administration, a press dispatch on the matter says, has taken this initiative in view of the sympathy of several governments, particularly social democratic governments, for the Salvadoran insurgents. The U.S. delegations are composed of officials from several government agencies who will have the mission of visiting various European capitals where they will present proof of Soviet intervention in Central America.

The Salvadoran issue is very important to the foreign policy of the U.S. administration, which has firmly decided not to just continue to aid but to increase its aid, including military aid, to the Central American nation.

This is true because the government led by Jose Napoleon Duarte has been deemed to be legitimate, despite the criticism made by some European countries.

Although the press dispatch says that the news has not been confirmed, we heard it officially through the Voice of America during its evening transmission on Friday. Meanwhile, TASS and Radio Moscow have begun a virulent anti-U.S. campaign.

In this game of the so-called cold war now openly declared between the United States and the Soviet Union, the actions initiated by the Reagan administration extend to various other areas. Another news item disclosed simultaneously with the aforementioned item says that the U.S. Government is ready to supply weapons to other Latin American antions, including Costa Rica, the Dominican Republic and Colombia, due to the growing and proven influence of communist Cuba in the Central American and Caribbean area.

According to AFP, the Reagan administration is preparing decisive announcements concerning its Latin American policy, which will include the resumption of the sale of weapons to certain nations and a report on Cuba's actions in Central America.

These are some of the incidents which have prompted feverish activity in the international policy of the two great powers, in the context of which Honduras and Central America are no longer mere spectators.

CHANGES IN FOREIGN SERVICE CALLED INSUFFICIENT

PA172259 Tegucigalpa Radio America in Spanish 1145 GMT 17 Feb 81

[Commentary by Rodrigo Wong Arevalos]

[Excerpts] Local newspapers have been giving prominence to a reorganization that the Honduran foreign service will experience in the next few days. However, these reports only speak of changes in those embassies where the Honduran Government has maintained a staff of luxury, as we say in radio reporting lingo, without us knowing what kind of benefit the nation derives from such expenditures.

There can be no reorganization where a simple mechanical change of persons occurs while the false and weak bases remain. The Foreign Ministry is not doing anything by making new appointments, revoking others and dismissing and transferring certain individuals. For this reason, it is sad to hear that there will be a reorganization in the foreign service when the only thing that is being done is changing one ambassador for another.

Under the most recent military governments, the Foreign Ministry has been told to appoint those military officers who have been purged or those who are about to fall into disgrace and who, because of their rank, must be sent out of the country so they will not be involved in plots. Therefore, those who are sent to embassies portray an image of our country, and depending on what they do, they leave the nation in bad standing.

FOREIGN MINISTRY ANNOUNCES PEASANTS' RELEASE

PA181503 Panama City ACAN in Spanish 1740 GMT 17 Feb 81

[Text] Tegucigalpa, 17 Feb (ACAN-EFE)--Two Honduran peasants who had been captured by members of the Sandinist People's Army (EPS) have been released, the Honduran Foreign Ministry reported today.

Miguel Edmundo Aguilera Lagos and Casimiro Mejia were captured by mistake by an EPS patrol in Honduran territory, the Nicaraguan Foreign Ministry explained.

The Nicaraguan Foreign Ministry issued a communique accepting responsibility for the incident, apologizing to the Honduran Government and promising that it will not happen again.

However, three other Hondurans, whom the Honduran Government are sure the Nicaraguans have captured, are not to be found in Nicaraguan prisons.

Triminio Lopez, Eliseo Ordonez Calderon and Segundo Hernandez Ordonez were also arrested by a Sandinist patrol, according to the Honduran Government, which has asked the Nicaraguan Foreign Ministry to investigate these cases.

NICARAGUA

ORTEGA REPORTS JUNTA'S DISCUSSION WITH PEZZULLO

PA180305 Managua Sistema Sandinista Television in Spanish 0700 GMT 16 Feb 81

[Text] Members of the junta of the Government of National Reconstruction met last week with U.S. Ambassador Lawrence Pezzullo to find out the reasons for the delay in the U.S. loan for the purchase of wheat. Here is what Commander Daniel Ortega, junta member, had to say:

[Begin recording] Companero Sergio Ramirez and I, representing the junta of the Government of National Reconstruction, met with the U.S. ambassador on his return from the United States. We usually talk to foreign countries' representatives, and particularly with the U.S. ambassador, because of our interest in having good relations. We talked about the foreign policy of the new U.S. Government and about Nicaragua's interest in improving its relations with the United States according to terms established by the Sandinist revolution after 19 July 1979, based on mutual respect and dignity and without any imposed conditions.

We also talked about the serious consequence the delay in approving the loan for the purchase of what is having on these relations, which will have repercussions in U.S. relations with other countries. This we said because we consider the situation is an attack on the human rights of a nation and in no way contributes to improving the respect and equality that should exist between nations.

We could see that the U.S. ambassador was worried about this situation [words indistinct] the Sandinist people's revolution has expressed its desire to continue improving its relations with the United States. We also explained that we are not going to submit to pressures even at the risk of being affected or strangled economically.

[Question] Does the Nicaraguan revolutionary government plan to seek international support to solve the wheat problem?

[Answer] We are trying. When we have solved the problem we will let the people know.

[Question] What have been the repercussions of Jose Esteban Gonzalez' statements in Europe?

[Answer] We cannot say at this moment. The news agency EFE today carried a report from the Christian Democratic World Union saying there are 8,000 political prisoners in Nicaragua. It seems that Gonzalez went to Europe to spread a pack of lies. Everyone knows that many Somozist guardsmen who had committed crimes were released thanks to the revolution's generosity.

In reality, the population of all the prisons in the country is 5,635. Of these, 1,000 are common criminals. The others are former guardsmen who were prosecuted and are serving sentences.

As you can see, the number of political prisoners is far below that Gonzalez reported in Europe and which the Christian Democratic World Union in Rome is repeating as it is talking about tortures, missing persons and violation of human rights.

All we can say about Gonzalez is that he is attacking the human rights of the Nicaraguans when he tries to sabotage the efforts of the people and the government to build a future. [end recording]

RUIZ CITES FOREIGN DEPENDENCE AS 'PROBLEM'

PA181824 Managua Radio Sandino in Spanish 1200 GMT 18 Feb 81

[Text] Henry Ruiz, commander of the revolution and minister of planning, said today that foreign dependence is one of Nicaragua's main problems and it is necessary to reassess problems in order to build a country that is economically more independent.

Commander Ruiz made this statement during the opening ceremony of a high-level seminar on economic planning that will be given by seven experts of the GDR.

He added that Nicaragua is advancing in its revolution, but that to carry out all the tasks involved in the process it is necessary to clearly understand the problems of the nation's economy.

For his part, Gerald Mockle, GDR ambassador to Nicaragua, noted the solidarity and friendship that exists between the peoples of both countries and noted some similarities between the state of the GDR's economy at the end of World War II and that of Nicaragua at the time of the victory of the Sandinist people's revolution.

In this regard, he emphasized the two peoples' fight against fascism and imperialism and their struggle to restore the national economy.

The course, which will last from 17 February to 9 March, and which will be attended by approximately 150 ministers, technicians and government officials, will basically cover two areas: political economy and planning.

The course will expand the participating officials knowledge of economic planning and its main component, the state-owned enterprises, and the possibility of administering them with greater chances for success.

'GALLOPING ANTI-NICARAGUAN CAMPAIGN' NEEDS ANSWER

PA142131 Managua BARRICADA in Spanish 10 Feb 81 pp 3, 7

[Article by Onofre Guevara: "J.E. Gonzalez-State Department: The Campaign of Lies Requires an Answer"]

[Text] In the ideological confrontations that we are inevitably experiencing, there are those who are going beyond the logical bounds of argument and have already moved into the area of provocation. In an open attempt to make the revolution "lose its head" by those very persons called the reactionaries who are personified by the aparatus of agents of provocation called the Permanent Committee for the Defense of Human Rights (CPDH). The main spokesman of the CPDH has gone to the limits that are reached only by persons who are aware of their role on a stage directed by forces greater than their weak political personalities.

Jose Esteban Gonzalez is in the center of the immense apparatus of the anti-Nicaraguan campaign, being promoted like an international artiste. With suspicious regularity and insistence, all the transnational imperialist media have flooded the world with "news" containing the most stupid lies about the Nicaraguan experience.

It is precisely the monstrosity of those lies, which seem absurd to us, that achieve the imperialist aim: to convey to the world the utmost distortion of our real experience in order to fully justify planned aggressions.

It is not that these lies are new. They have been repeated so often that they appear "normal." The thing is that now one can see a pattern, a calculation and a synchronization that now makes it impossible not to see the stamp of "Made in USA" and more specifically: CIA.

It is these forces of blind hatred of our process that encourage the anticommunist pigmy in Nicaragua, Jose Esteban Gonzalez. To say, as he said, that "there are 8,000 political prisoners in Nicaragua" who are being subjected to worse torture than that of Somozism, requires something more than the courage to lie in the face of the testimony of the majority of our people; it is necessary to have the support of retrogressive forces which he considers to be invincible and destined by fate to impose their will on weak peoples, something that goes completely against historic reality.

Even when it is repeated, the plan is not so perfect as to disguise the fact that it is a conspiracy hatched internally and abroad. Along with the repetition, without comments of any kind, of the most offensive and fallacious opinions against our country published in LA PRENSA--the indisputable mouthpiece of the reactionaries--opinions given by manifestly ultraconservative imperialist politicians (the case of the interview with Kirkpatrick), there are published, with mathematical precision, the "follow up" of Gonzalez Rappaccioli's first bites, alternated with the traditional aggressions, sent out as "news" items, against other revolutionary experiences, as the Cuba case. This is in addition to the not infrequent and well-planned "critiques" that appear to be cast from the same mold.

The areas where international misinformation is conducted include an inevitable place: the United States. The statements of the traveling agent of lies have already "reverberated." Now the Yankee State Department's "annual report" provides its own "echoes" to say that in Nicaragua "there are some 5,000 political prisoners whose cases are being subjected to dubious rules of justice and there are also restrictions on the freedoms of the press and of assembly."

Our people do not need to be told what kind of "political prisoners" are seen by imperialism and its agents because they can still feel in their own flesh the results of the political "work" of the Somozist prisoners. Neither is it necessary to explain anything about the functioning of revolutionary justice because the people themselves have had to restrain their wrath with the maturity acquired from their political lessons in order to keep from going beyond dissatisfaction when they see that the punishment dealt to the criminals does not reflect the magnitude of their crimes. Moreover, our people do not need explanations as to whether or not certain lies fall into the realm of slander because every day they see the same ones who are shouting that there is no freedom enjoying freedom and practicing open provocation.

Neither do the people need extensive explanations regarding the direct relationship that exists in this criminal game between those who are here and those who are abroad because they are aware of the efforts of their political vanguard to remain within the limits of a generosity that is obviously--with the beneficiaries themselves being to blame--becoming too broad for the moral pettiness of the people's enemies, just as that generosity is becoming too narrow for the magnitude of the baseness and the audacity of the internal reactionaries. [sentence as published]

Of course, one should not fall into the trap of provocation that is shamelessly being set for the revolution either. But everything has its limits and one should think of the experience of other peoples--Chile is the best example--showing that the bourgeoisie is a beast that is caged only as long as it does not have the opportunity to show its claws. As Commander Bayardo Arce has aptly said: What is now only pure planning can (and should) become a reality as an inevitable means of guaranteeing the people's achievements.

The report that we mentioned seems to recommend taking the measures needed for the defense of the revolution. It states, as the bourgeoisie here also states, that Salazar's death was an "assassination," based on "private testimony." However, a new element of misinformation is added: "He was killed accidentally by his colleagues, according to the government." The revolutionary government has never said this because, in addition to being untrue, the argument added by the Yankee report has the perverse intention that either of the two "versions" (the "assassination" and the "accidental death by his colleagues") would lead to the conclusion that Salazar was not a counterrevolutionary activist and that there is no counterrevolution here, simply a regime that has mmade Nicaragua "less free than before."

In order to complete the distortion of the real Latin American experience, this galloping anti-Nicaraguan campaign could not fail to include an attempt to whitewash the criminal dictatorships. According to EFE, the imperialist report mentions "THE IMPROVEMENTS EXPERIENCED IN ARGENTINA, CHILE AND BRAZIL!" [as published]

Everything is very clear. We suppose that imperialism and all its reactionary lackeys are making use of their right to combat peoples with all weapons. Obviously, the peoples and their achievements must do the same thing with all the weapons of truth, right and the revolutionary power won by the blood of their best sons!

FSLN TO ATTEND CPSU CONGRESS; HAVANA MEETING

PA171251 Managua Radio Sandino in Spanish 0300 GMT 17 Feb 81

[Text] An official delegation of the Sandinist National Liberation Front [FSLN] headed by Carlos Nunez Tellez, commander of the revolution, will attend the CPSU 26th congress which opens on 23 February in Moscow. The other members of the Nicaraguan delegation are Commander Dora Maria Tellez, Cristian Pichardo, Elias Noguera and Deputy Foreign Minister Jacinto Suarez.

Commander Carlos Nunez will also be in charge of a delegation which leaves tomorrow for Havana invited by the Cuban National Assembly of the People's Government. This delegation also includes the directorate of the State Council: Hugo Torres, Dora Maria Tellez, Luis Sanchez Sancho, Carlos Garcia Caracas, Plutarco Anduray Palma and Maria Lourdes Vargas.

Delegation's Departure

PA181856 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 18 Feb 81

[Excerpts] A delegation of the Sandinist National Liberation Front left for Moscow today to attend the 27th CPSU Congress which will begin on 23 February. The Nicaraguan delegation is headed by Commander Carlos Nunez.

Nunez said the congress is very important because it will be held at a time when world politics is facing strong pressures from U.S. imperialism.

Another delegation left today for Havana in response to an invitation from the Cuban National Assembly of the People's Government.

MINISTERS STOP IN JAPAN ON WAY HOME FROM NEW DELHI

For a report on the stopover in Japan by Foreign Minister Miguel d'Escoto Brockman and Minister of the International Fund for Reconstruction Haroldo Montealegre Lacayo, see the Japan section of the 19 February Asia & Pacific DAILY REPORT.

HAVANA'S DAILY TRIBUNA INTERVIEWS BLAS ROCA

FL181208 Havana Domestic Service in Spanish 1100 GMT 18 Feb 81

[Text] Blas Roca, member of the PCC Politburo and president of the National Assembly of the People's Government, has granted an interview to the daily TRIBUNA DE LA HABANA on the occasion of the commemoration of the fifth anniversary of the constitution next 24 February. During these 5 years, he said, everything established in the constitution has been put to the test and it has been demonstrated that the socialist constituion responds to our country's instittuional needs and the people's aspirations. Blas Roca stressed that now everybody should be aware of the obligations they have and should fulfill them.

NICARAGUAN STATE COUNCIL DELEGATION ARRIVES

FL172253 Havana Domestic Service in Spanish 2230 GMT 17 Feb 81

[Text] Commander of the Revolution Carlos Nunez Tellez, chairman of Nicaragua's State Council, has arrived in our capital. He is heading a council delegation invited to Cuba by the National Assembly of the People's Government, Raul Roa Garcia, member of the Communist Party of Cuba Central Committee and acting president of the National Assembly, welcomed the Sandinist leaders at the airport.

Also arriving were guerrilla Commander Dora Maria Tellez and Plutarco (Andurray) and guerrilla Commander Huga Torres, secretary of the State Council. Others in the delegation are members of the broadly based Revolutionary Patriotic Front of Nicaragua. They are: Carlos Garcia, Lourdes Vargas and Luis Sanchez. Vargas is legal adviser to the State Council.

HAVANA REPORTS ACTIVITIES OF WFTU OFFICIAL

FL171544 Havana Domestic Service in Spanish 1500 GMT 17 Feb 81

[Text] Ibrahim A. Zacarias, secretary general ad interim of the World Federation of Trade Unions--WFTU--yesterday toured the Palace of Conventions in this capital, as part of the activities scheduled for his official visit to our country. Zacarias and the delegation accompanying him were received by Abraham (Maciquez), director of the palace, who briefed them on the possibilities and services offered by that center for national and international events.

Jesus Escandel, executive secretary of the Central Organization of Cuban Trade Unions, and other officials of the labor organization accompanied the high-level WFTU delegation. Another purpose of the visit of the WFTU delegation is the preparation being made for the holding in Cuba of the 10th WFTU congress in February 1982.